Saskatchewan
Economic
Development
and Tourism

Annual Report 1988-89

Saskatchewan Economic Development and Tourism

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Minister's Transmittal

To Her Honour, the Honourable Sylvia O. Fedoruk, OC, SOM
Lieùtenant Governor of the
Province of Saskatchewan

Madam:

I have the honour to submit the second annual report of the Department of Economic Development and Tourism for the year ending March 31, 1989.

For several decades, major investments in infrastructure and resource development have assisted in the transformation of the Saskatchewan economy from one wholly dependent on a single sector to the present situation where the province has developed a more diversified agricultural and natural resource base.

However, Saskatchewan people continue to face two primary challenges which must be overcome to successfully take advantage of the opportunities that exist for the future growth of our provincial economy.

The first challenge is to strengthen the existing manufacturing sector by focusing efforts on improving our competitiveness and encouraging innovation in the pursuit of new market opportunities.

The second challenge is to develop new industries that respond to emerging opportunities and broaden the province's industrial spectrum. The province requires new product development, technology development and technology transfer.

These challenges are being addressed by all departments across government. Economic Development and Tourism has been a major participant in this regard, and department consulting and program initiatives in 1988-89 helped entrepreneurs realize new business opportunities and contribute to the diversification process.

Business Resource Centres across the province were busy during the year, handling 34,000 client requests. While most of the requests came from the service and retail sectors, the centres dealt with approximately 500 new or expanding manufacturing businesses in the province.

The department sponsored a second successful Business Opportunities Show in Saskatoon, attracting 7,200 people from 218 Saskatchewan communities. The three day show has gained an excellent reputation as one of the best business shows in Canada.

From top
Hon. Eric A. Berntson, Minister
Hon. John E. Gerich, Associate Minister

In northern Saskatchewan, the department launched initiatives in non-traditional sectors including the processing and distribution of northern food products, light manufacturing and value-added processing. The Northern Revolving Loan Fund provided financial assistance to 116 northern enterprises. More than $3 million was approved to establish or expand northern commercial businesses.

During the year, 49 new co-operative enterprises were developed and incorporated. These incorporations were for a range of activities, reflecting the important role that co-operatives have in fulfilling new opportunities and diversifying the provincial economy.

Venture capital corporations (VCCs) increased their capitalization by $9.7 million with 35 new VCCs formed. By year end, 186 VCCs were registered with a gross cumulative capitalization totalling $91.2 million, of which $82.7 million had been invested in eligible small businesses. The program was undergoing a review at year-end, and changes were being proposed which would allow for direct investment in small businesses and which would provide cash grants instead of tax credits.

Interest in Saskatchewan as a travel destination continued to grow. The department's out-of-province advertising campaign was highly successful with a 96 per cent increase in advertising inquiries over the 1987 campaign. Overall inquiries were more than 100,000, making a near record setting year, second only to the 1986 "Expo" year.

The new Community Tourism Assistance Program was implemented during the year. The program is designed to provide financial and advisory assistance to communities in the areas of tourism marketing and development. By year end, more than 100 communities had expressed interest in the program, and seven of those communities were formally enroled with a total provincial commitment of $141,000.

The department assisted the Tourism Industry Association of Saskatchewan (TISASK) and the Saskatchewan Outfitters Association in their direct sales and marketing efforts at major consumer travel and sport shows across Canada and the United States. Marketing of convention and meeting travel to Saskatchewan was undertaken co-operatively with visitor and convention bureaux, hotels and convention-trade show facilities.

The private sector continued to upgrade the province's tourism facilities during the year with the addition of new attractions and accommodations in resort areas and provincial parks. Many of these projects received support from the Canada-Saskatchewan Subsidiary Agreement on Tourism. The department also worked in co-operation with Saskatchewan Parks, Recreation and Culture to approve new projects and facilities for the provincial parks system.

This report describes initiatives and activities undertaken during the year to meet the department's goals and objectives. I am pleased with the progress that has been made toward economic diversification in Saskatchewan, and as we enter a new decade, the department will continue these diversification initiatives.

Respectfully submitted

Eric A. Berntson
Minister

John E. Gerich
Associate Minister

Deputy Minister's Transmittal

To the Honourable Eric A. Berntson, Minister; and
John E. Gerich, Associate Minister
Saskatchewan Economic Development and Tourism

Sir:

I respectfully submit herewith the 1988-89 annual report of the Department of Economic Development and Tourism.

During the year under review, the department undertook the development of a provincial economic diversification strategy.

While Saskatchewan has made significant strides in diversifying its economy, there is still much potential for future growth and expansion. The strategy identified areas of the economy that require revitalization and improvement. These areas include the need for improved management and marketing skills, enhanced competitiveness of Saskatchewan industry, new product development and technology transfer.

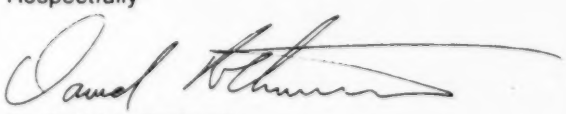
New opportunities were identified in tourism, agricultural processing, health care product development and high technology. The strategy suggested that new efforts and program initiatives be undertaken in the search and pursuit of new market opportunities, financing and technological development.

With the development of the new strategy came a restructuring of the department to more effectively deliver programs and services.

The Projects and Programs Division was established to centralize the management and delivery of industrial and tourism development. The Business and Tourism Services Division was established to provide a range of support services to business including marketing programs in support of the tourism industry.

Saskatchewan has a diverse economy with significant potential for future growth and expansion. During the year, the department continued to provide a high level of professional support for its clientele. Programs and services were aimed at providing our business, co-operative and tourism sectors with the tools they need to build upon the province's economic strengths.

Respectfully



Dr. David C. Rothwell
Deputy Minister

Dr. David C. Rothwell,
Deputy Minister

Mission

Saskatchewan Economic Development and Tourism provides services and programs in support of small business, co-operatives, manufacturing, the service sector and the tourism industry as a means of diversifying the Saskatchewan economy.

Mandate

The department's mandate is to develop, co-ordinate, promote and implement policies and programs of the Government of Saskatchewan that:

- Facilitate the development and diversification of the Saskatchewan economy, including:
  - matters involving initiatives by the private sector in secondary or tertiary production of goods and services,
  - provision of support for Saskatchewan business and economic development, and
  - general stimulation of economic activity in Saskatchewan.
- Relate to the encouragement of tourism in Saskatchewan.
- Relate to the development and maintenance of business in Saskatchewan.
- Relate to the encouragement of co-operative enterprises in Saskatchewan.
- Foster and advance the general development of northern Saskatchewan.

Objectives

- To develop and deliver programs to support the growth and diversification of business enterprises in Saskatchewan, especially those in the small business, tourism and co-operative sectors and in the production of goods and services.
- To assist business enterprises and industry organizations to become more effective and competitive by providing advisory and consultation services, especially those relating to start-ups, financing, business planning, marketing and government relations.
- To communicate the nature and availability of government programs and services to businesses, co-operatives and industry organizations, and to communicate the needs of these client groups to government.
- To undertake efficient and effective administration of government programs and policy to serve the people of Saskatchewan.

Economic Development and Tourism Organizational Chart as of March 31, 1989

The Year in Review

Business Statistics

In 1988, Saskatchewan's labour force reached 488,000, and the province continued to have one of the lowest unemployment rates in the country with an average rate of 7.5 per cent.

Saskatchewan's gross domestic product was $18,307 million in 1988, a 3.2 per cent increase over the comparable 1987 statistic.

In 1988, new capital investment in all sectors totalled $4.6 billion, an increase of almost $300 million from the previous year.

According to Statistics Canada's Business Register, there were 41,998 employing businesses in Saskatchewan in 1988, not including agriculture employer establishments. In 1987, the comparable figure was 38,475 which means the number of employing businesses increased by 9.2 per cent.

During 1986 small businesses in the province (businesses with sales of less than $5 million) generated a total revenue of $8.2 billion. By comparison, mineral sales from Saskatchewan were $2.5 billion and farm cash receipts were $4.0 billion.

In Saskatchewan, businesses involved in producing a service employ four times as many people as firms producing goods.

Saskatchewan had 1,161 co-operatives and 209 credit unions in 1988, employing more than 14,000 people with an annual payroll of $220 million. Sixty per cent of Saskatchewan's population belongs to at least one co-operative organization. Saskatchewan co-operatives have annual revenues of $5 billion and control assets totalling $7 billion.

Tourism Statistics

In 1987, according to Tourism Canada's estimates, the tourism industry in Saskatchewan generated $764 million in revenues, an increase of 13.4 per cent over the previous year. On this basis, Saskatchewan ranked fifth in the country, behind Ontario, Quebec, Alberta and British Columbia.

Tourism Canada also estimates that in 1987, tourism provided 16,900 person-years of direct employment for Saskatchewan people, an increase of 8.3 per cent over the level in 1986. In addition, an estimated 6,000 person-years of employment were generated indirectly by tourism in the province.

Services and Support to Business

The department provides a range of services to the business community, the co-operative sector and the tourism industry of Saskatchewan.

Co-operative Services

The Government of Saskatchewan has long recognized the importance of co-operatives to the stability and growth of the province, and has continued to encourage their development.

The department assists in establishing co-operatives, helps maintain an environment that will enhance the positive impact of the co-operative sector on the provincial economy, and encourages the co-operative sector to participate in the development of the province.

The placement of co-operative consultants in the Business Resource Centres has strengthened the promotion, development and support of viable co-operative enterprises. The Business Resource Centres serve as the front line contact for the co-operative sector and this arrangement provides direct access to a broader range of resources and information services.

Consultants provide managerial, legislative, financial and technical assistance to new and existing co-operatives, supporting the long term viability of co-operative business activity. Services also include director and member training and the development and distribution of resource materials.

During the year, 49 new co-operative enterprises were developed and incorporated. These incorporations were for a range of activities, reflecting the broad application that co-operatives have in fulfilling new opportunities and diversifying the provincial economy.

Incorporation highlights included 12 new feeder co-operatives which permit members to access and participate in the Feeder Association Loan Guarantee Program. Total membership in the new feeder co-operatives exceeded 300, with members eligible for loans of more than $7.5 million to purchase cattle for feeding. Other agricultural related co-operatives included forage, soil conservation and marketing co-operatives.

Six rural development co-operatives were also established as a result of the department's work with Saskatchewan Rural Development. Municipalities were encouraged to consider rural development corporations as a means to promote economic development in their region.

In the service sector, 11 co-operatives were incorporated to provide non-profit services to their communities. These co-operatives included two daycare centres, three community cemeteries, a French publishing firm, and a variety of other services.

In conjunction with the Saskatchewan Co-operative Activities Council and the major co-operatives, the department planned and hosted the 1988 Saskatchewan Co-operative Merit Awards program and banquet. The ceremony honoured ten of Saskatchewan's outstanding co-operative or credit union leaders.

The Co-operative Achievement Certificate Program was initiated during the year in recognition of co-operatives celebrating 25th, 40th, 50th, 60th and 70th anniversaries, or celebrating a major accomplishment. During the 1988 Co-op Week, 46 co-operatives were recipients of these certificates, acknowledgment of their special endeavours.

The practice of bi-annual ministerial meetings with the presidents and chief executive officers of all the major co-operatives continued during the year. The objective of these meetings is to encourage continuing communication between the co-operative sector and the

- *1988 Saskatchewan Co-operative Merit Award Recipients. From top left: Ted Turner, Les Tendler, Stewart Wells (on behalf of Archibald Wells posth.), Albert Mennie, Harrison Sherwin, Norman Lowe, Mrs. E. Johnson (on behalf of Emmett Johnson posth.), Robert Cowan, Frank Mulatz.*

government. The department prepared a bi-monthly bulletin of information on government/co-operative initiatives, programs and activities for distribution to the central co-operatives involved in these meetings.

The department appointed a five-person steering committee to lay the groundwork for the establishment of a Co-operative Advisory Board. The mandate of the board is to encourage and support the stability and growth of the co-operative sector in Saskatchewan.

A special initiative was undertaken by the department in 1989 to commemorate Federated Co-operatives Limited's 60th Anniversary. One thousand specially inscribed copies of "Building A Dream" by Saskatchewan author Brett Fairbairn were provided to all K-12 school libraries in Saskatchewan. The book, printed by Western Producer Prairie Books, describes the growth and development of Saskatchewan's co-operative retailing system from the 1920's to the 1980's, and should foster students' understanding of the role co-operative pioneers played in directing the province's economic and social development.

1988/89 Co-operative Incorporations

Following are the 49 co-operatives incorporated during the year classified by type:

Agricultural	10
Feeder	12
Marketing and Retail	3
Rural Development	6
Finance, and Business Services	5
Education, Health and Personal Services	13
Total	49

Business Services

To provide effective services, programs and support, the department emphasizes direct contact and communication with clients throughout the province. This contact occurs primarily through the network of 12 regional Business Resource Centres and a fully accessible Business Library. All centres are staffed by business representatives able to assist the business community in addition to acting as advocates to government on behalf of business.

Business Resource Centres

The department operates Business Resource Centres in Estevan, Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon, Swift Current, Yorkton, Meadow Lake, La Ronge, Buffalo Narrows and Creighton.

Business Resource Centres (BRCs) house an extensive collection of business information and statistics. They provide for the decentralized promotion and delivery of department programs and related business consulting services. Decentralized delivery is enhanced through the use of mobile BRCs equipped with business information, a portable computer for economic analyses and the services of a professional consultant. The mobile units offer BRC services to business people in smaller communities.

To make its services more accessible to the public, the department began to open Business Resource Centres in street front locations in the fall of 1984. This increased visibility led to a growing demand for the department's services and during 1988-89, the BRC staff handled 34,000 requests for information and assistance.

Women and Business Conferences

The department, in co-operation with the government's Women's Directorate, sponsored two-day conferences in Regina and Saskatoon. Billed as "A Conference for Enterprising People", the events were

- *Ken Adie, Regional Director, Regina Business Resource Centre*

designed to provide in-depth, practical information to women interested in starting a business, those already in business, and those employed in a business and/or a professional environment. Keynote speakers included Bobbie Gee, Moneca Litton, Wendy Priesnitz and Lois Stevenson.

The conferences attracted 366 registrants: participant response was enthusiastic, with nearly 95 per cent rating the events good to excellent.

Business Opportunities Show

The department organized and managed a second major business opportunities marketplace in Saskatoon during September, 1988. The three-day trade show was one of the largest of its kind in North America. The show attracted 188 exhibitors from throughout North America and from foreign countries offering more than 300 different business opportunities including franchises, dealer/distributorships, retail and manufacturing opportunities.

Approximately 7,200 people from 218 Saskatchewan communities participated in the marketplace. Department surveys indicated that six per cent of the people who attended started or expanded a business as a result of the show. An additional 60 per cent indicated they were interested in starting businesses in the future. The department began planning another three-day show for Regina in October, 1989.

Northern Business Development

Business development, expansion and diversification in northern Saskatchewan was encouraged through consultation and assistance from Business Resource Centre staff in La Ronge, Creighton and Buffalo Narrows. More than 6,800 inquiries were received and serviced from the northern offices in such diverse fields as tourism, construction, forestry, manufacturing, processing, retail and service, and in traditional pursuits such as fishing, trapping and wild rice harvesting.

The department provided assistance in the identification and evaluation of prospective business opportunities, preparation of business plans, accessing of financing, and in the subsequent implementation of business projects. In addition, the department provided strategic planning assistance to regional and community development committees in various northern communities to promote and encourage business and economic development.

Department staff played a key role in the support and assistance of significant new developments in the tourism sector with emphasis on facility development. Intensive support was also provided to regional tourism planning committees (most notably the Northwest Tourism Development Group) to encourage a rationalized regional approach to tourism development and marketing.

The department maintained an active role in the development and implementation of several significant initiatives in nontraditional sectors including the processing and distribution of northern food products, light manufacturing and value-added processing.

Commerce Student Consulting Services

The Commerce Student Consulting Program is operated by the College of Commerce, University of Saskatchewan in co-operation with the department. Student consultants, under the supervision of Commerce faculty, provide business management and consulting services to small and medium sized businesses.

The program provides valuable work experience for commerce students while making affordable business consulting services more accessible.

During the year, 20 part time student consultants were employed by the program, resulting in 45 consulting assignments being completed.

From top

- *The Business Opportunities Show in Saskatoon attracted 188 exhibitors.*
- *The show includes seminars on important business topics.*

Revenue to fund this program is generated from charges to business clients for the consultant's time. The department makes up the shortfall in total operating expenses. During the year, $40,000 was provided by the department.

Business Library

The Business Library houses a comprehensive collection of reference and other materials in support of all aspects of business development and tourism. It is accessible on a walk in basis, by telephone and through the Business Resource Centres. In addition to being open to the public, it is the departmental library for Economic Development and Tourism and the Department of Trade and Investment.

The library has more than 3,700 items in its on-line catalogue and can access external computer data bases. It also offers full access to Statistics Canada publications, a specialized collection of government and business studies on Saskatchewan, business and tourism periodicals and publications, and a collection of books on how to start specific kinds of business.

During the year, the Business Library handled 1,174 research and reference inquiries. It provided a total of 20,330 assignments for clients, including circulation of 10,800 items and 126 computer searches. It also developed and distributed several publications, including a directory of business associations in Saskatchewan.

Business Information

During 1988, the department further developed informational packages for use by Saskatchewan's business community. A directory of provincial government programs and services for the business community was compiled and made available through the department's Business Resource Centres.

The department continued to be involved with the Statistics Canada Small Business consortium with the result that "Business Profiles" were produced for numerous business lines. These profiles were subsequently distributed for use by Saskatchewan businesses and their advisors.

Economic Development and Tourism also continued to work with the Canadian Tourism Research Institute (CRTI), providing $10,000 in financial support. CRTI provides valuable research reports on the tourism industry at both the national and provincial levels for industry users and others.

Business Regulations

The department continued to provide a support service to the Business Regulatory Reform Council. This council was established as an advisory body to the minister on business regulation.

The council focused its attention upon a "Code of Regulatory Fairness for Business" which provides specific guidelines in regulating Saskatchewan businesses. During the year, the council finalized and submitted a code to cabinet for review.

Entrepreneur Institute

The department provided secretariat support to the Saskatchewan Entrepreneur Institute Advisory Board. This board, comprised of business, government and education representatives, addressed the constraints and opportunities associated with the development of entrepreneurship in Saskatchewan.

Industrial Development Services

The department supports and encourages industrial development and diversification in Saskatchewan

- *Entrepreneurship: Ted Seitz, President of Tarril Envelopes inspects the final product.*

and promotes the province as an industrial location. Prospective investors were provided with information, advice and assistance in investigating project feasibility as well as in the implementation of projects.

During the year, the department responded to hundreds of inquiries from within the province and around the world and participated in a number of promotional initiatives.

The annual "Saskatchewan Manufacturers Guide" was produced and more than 3,000 copies were distributed along with a wide range of other information and publications.

The department offered a full range of facilitation services to inquirers, project proponents and prospective investors. These services included provision of business information, counselling and referral services. The department also assisted a variety of project proponents with the cost of carrying out market and feasibility studies.

The branch continued its program of collection and dissemination of information on licensing and joint venture opportunities. This information was displayed in a special section of the 1988 Business Opportunities Show.

During the year, the department undertook a number of activities to encourage the manufacture of health care products in Saskatchewan. These activities included a business mission to Europe and studies and initiatives to create a health care products data base.

Services and Support to Tourism

Tourism Marketing Services

The department aggressively markets tourism to and within Saskatchewan in a number of market areas in co-operation with the Saskatchewan tourism industry. The department also undertakes research and statistical analyses to set strategic direction for tourism marketing initiatives and provides consultative and advisory assistance to the industry on marketing.

The three main product areas stressed by the department in developing and marketing Saskatchewan tourism are: General Touring (leisure and vacation travel); Adventure Travel (travel involving sport fishing, hunting, canoeing, camping and other non-consumptive products); and Business Travel (travel involving meetings, conferences and conventions).

General Touring/Adventure Travel Marketing and Promotion

Advertising

A summer travel campaign aimed at Saskatchewan residents in 1988 was carried out under the themeline "Saskatchewan Summers — They're Hot". Radio, television and a printed brochure delivered the travel message to all households in Saskatchewan. Provincial park attractions were emphasized and the Department of Parks, Recreation and Culture co-sponsored a vacation contest. The three prizes included two motorhome vacations and one houseboat holiday.

Saskatchewan's out-of-province touring advertising was directed at the Canadian provinces of Ontario, Manitoba, Alberta and British Columbia. Targeted in the United States were the north central states

- *Vic Ellis, founder of Energy Concepts Incorporated, guides a solar collector panel through a louvre punching machine he constructed.*

including Montana, Wyoming, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa and Missouri, as well as California.

The 1988 themeline "Everyone has a Favourite Hideaway" pictured three well-known historic characters with connections to the province, Al Capone, Butch Cassidy and Sitting Bull. The results of this out-of-province campaign showed a 96 per cent increase in advertising inquiries over those from the 1987 campaign. This increase was attributed to refined media placement and direct mail activity, an unusual creative approach and a unique insert format. Sixty-two per cent of advertising inquiries were from U.S. residents, a record level from that market.

The campaign used magazines and newspapers, direct mail, and a new medium, telephone bill inserts, which proved the most cost-efficient in drawing inquiries.

The department cost-shared a co-operative advertising campaign with Air Canada in the British Columbia and Ontario markets. This campaign comprised a direct mail magazine insert and newspaper advertising promoting vacations to Saskatchewan via air travel. A general touring campaign was implemented with Tourism Canada, and U.S. auto club magazines and daily newspapers carried the "Favourite Hideaway" insert along with the "Canada, the World Next Door" signature.

To attract tourists in 1989, the creative strategy again employed the 1988 themeline "Everyone has a Favourite Hideaway", but showcased the RCMP. An unconventional presentation of an RCMP officer evoked interest and encouraged readers to request the Great Saskatchewan Vacation Book. This campaign began in February 1989 and there were already 19,637 advertising inquiries in February and March compared to 6,548 inquiries in that period of 1988.

Touring advertising directed at the travel trade rather than the consumer appeared in the two main North American motorcoach trade publications.

In preparation for the 1989 direct mail campaign in Canada, research extracted the best potential household areas for distribution of direct mail by analyzing the lifestyles of previous advertising inquirers.

Adventure travel products including sport fishing, hunting, camping, wagon trekking and houseboating were promoted in United States publications read by outdoor enthusiasts. Approximately 7,500 inquiries were received. This campaign was cost-shared with Tourism Canada.

In May of 1988, an in-province outdoor recreation campaign was co-sponsored with Saskatchewan's tourism operators. The purpose was to generate interest and trips to northern drive-in lodges and vacation opportunities such as houseboat and covered wagon trekking activities. The campaign encouraged co-scheduling of advertising by the various tourism businesses, and complementary editorial and pictorial material was provided to Saskatchewan media. Twenty-six provincial operators participated in the campaign.

Results of Marketing Activities

Saskatchewan's number one source of tourism inquiries in 1988 was the United States. The top ten individual origins of tourism inquiries in order of magnitude were Saskatchewan, Ontario, Minnesota, California, Alberta, British Columbia, Illinois, Colorado, North Dakota and Manitoba.

Conversion surveys showed that 16.5 per cent of the U.S. inquirers and 47.3 of the Canadian inquirers visited Saskatchewan in 1988 and that these visitors spent a projected $7.65 million.

• *Dave Livingstone and Lydia Dagg staff a display at the American Society of Association Executives Marketplace.*

Travel Trade Sales Activities

The department markets general touring and "soft adventure" tour products to North American wholesalers, tour and motorcoach operators, auto clubs and travel agencies.

To assist the travel industry to sell pre-packaged Saskatchewan tour programs, the 1989 "Commissionable Travel Agents Package Catalogue" was produced.

Contact was also maintained with 1500 wholesalers, tour operators and auto clubs through direct mail, the "Tour Saskatchewan" newsletter, telemarketing, direct sales calls and customized tour itinerary assistance.

Co-operative funding support was negotiated with 15 Canadian Consulate offices to promote Saskatchewan as a destination point. This campaign resulted in a number of successful inspection tours of the province for wholesalers, tour operators, auto clubs and travel agents from Belgium, England, Italy, China and Minneapolis.

The department continued the marketing of auto travel to Saskatchewan through presentations and distribution of audiovisual material to influencer groups including the Canadian Automobile Association and the American Automobile Association. In addition, department staff mounted displays and handed out promotional material at several sport and auto travel shows.

Two major events to which the department provided organizational assistance took place in Regina during the summer of 1988. Tour Canada, a marketplace organized by Tourism Canada for sellers of Canadian tourism products, attracted over 200 sellers and nearly 80 buyers from across North America. The 1988 Royal Red Arabian Horse Show was also held in Regina. Pleased with the city's job of hosting the event, the organizers of the International Arabian Horse Association decided to award the Canadian Championships to Regina for another five years.

In addition to providing information on Saskatchewan to the travel trade, the department also assists in the development of Saskatchewan's private sector tourism industry. This activity includes: tour packaging, itinerary planning, marketing advice for events and attractions, and identifying agricultural and industrial tour options. Saskatchewan's tourism industry promotional material was distributed and packaging seminars and marketing caucuses were conducted.

Several Saskatchewan companies received assistance in developing marketing strategies and were encouraged to act as receptive operators for wholesalers in Canada, West Germany and the United Kingdom.

Business Travel Marketing and Promotions

Advertising was targeted at Canadian and U.S. meeting planners and association executives using five trade publications. Four Canadian publications were used for the primary market of Canadian Associations, and the secondary U.S. market was reached using the special annual "Meeting Planners Guide to Canada" edition of "Successful Meetings".

Creative development and production began on a new cost-shared advertising and direct mail proposal for 1989. Seven Saskatchewan industry partners participated in the department program which used eight page full colour inserts in three Canadian trade publications, and a direct mailing to Canadian association executive prospects. The theme "Saskatchewan Has Heart" was designed to illustrate the personalized service and care the industry provides to meeting planners and convention groups who choose the province as their site.

- *Tour Canada '88 buyers inspected Saskatchewan attractions including Prince Albert National Park.*

Representatives from Saskatchewan hotels, meeting facilities and convention and visitors bureaux participated in the first-ever combined exposition of the American Society of Association Executives and the Canadian Society of Association Executives. The event was held in Toronto during the summer of 1988. The promotional concept employed by Saskatchewan was the department's award winning theme, "Orchestrate Something Extra Special in Saskatchewan".

Convention business in Saskatchewan continued to grow during the year. Delegate expenditures in the province exceeded $60 million in 1988.

During the year, the department began to develop incentive travel to Northern Saskatchewan lodges through new packaging and marketing techniques.

Tourism Saskatchewan

Travel Information Services

The department's travel information services unit, Tourism Saskatchewan, directly serves the travelling public. Travel counselling and information services are provided year-round in order to attract more first-time visitors, influence as many visitors as possible to stay longer, and encourage Saskatchewan residents to vacation within the province.

The year under review was an outstanding year for Tourism Saskatchewan. Inquiries were up 34.4 per cent over 1987, to 103,486, making it a near record setting year, second only to the 1986 "Expo" year. During 1988, inquiries continued to reflect the steadily increasing trend established over the last six years.

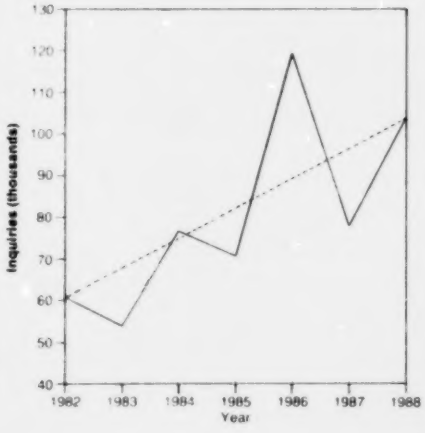
Tourism Saskatchewan improved and expanded operations during peak times with the installation of new equipment, additional toll free lines and in increased staffing.

The United States continues to be the top generator of travel inquiries, accounting for 50 per cent of the total, compared with 36.7 per cent last year.

United States	50.1 per cent
Canada	26.3 per cent
Saskatchewan	22.4 per cent
Foreign	1.1 per cent

Counsellors provided up-to-date travel information and acted as sales representatives for the province. More than one million pieces of travel literature were distributed in response to inquiries.

Tourism Saskatchewan's storefront location on the main floor of the Saskatchewan Trade and Convention Centre has led to an increase in walk-in inquiries. The public display area is used to produce a high profile image for tourism. Extended weekday hours and Saturday openings provide more convenient service to the public.



Visitor Reception Centres

During 1988, approximately 89,700 tourists stopped at Saskatchewan's five visitor reception centres at key border crossings into the province.

• *Tourism Saskatchewan counsellor Traci Kopeck.*

A new visitor reception centre at North Portal on the U.S. border opened for the season on June 6. The centre is the largest in the province, housing travel counsellors, international currency exchange and interpretive displays in its large public area.

Construction of a new visitor reception centre at Lloydminster on the Yellowhead Highway was undertaken during the year. Completion of the centre is scheduled for the 1989 summer season. The visitor reception centre will be located at the Barr Colony Heritage Culture Centre, Weaver Park, Lloydminster.

Other visitor reception centres are located on the Trans-Canada Highway at Fleming and Maple Creek, and on the Yellowhead Highway at Langenburg. Although the centres are owned by the province, their staffing and day-to-day operation continue to be handled by the Tourism Industry Association of Saskatchewan.

Travel Publications

In an independent survey, the Toronto Star ranked Saskatchewan's travel literature among the best in the country. The popular series, produced annually and distributed free of charge through Tourism Saskatchewan, includes the following publications:

The Great Saskatchewan Vacation Book: a comprehensive full-colour guide featuring Saskatchewan's top vacation opportunities with regional listings of events and attractions.

Saskatchewan Accommodation: a comprehensive directory of communities, hotels/motels, parks, campgrounds, lakeside accommodation and vacation farms.

Saskatchewan Outdoor Adventure: a directory of fishing, hunting, and canoeing outfitters, supplemented with colourful information about all the outdoor adventure opportunities in Saskatchewan.

Saskatchewan Events: a descriptive listing of Saskatchewan events including dates and locations covering spring, summer and fall.

Saskatchewan Winter: a listing of where to cross-country and downhill ski, snowmobile, ice-fish or participate in other winter sports and special events.

The department introduced and distributed a new tourism lure piece, **Ten Great Reasons To Visit Saskatchewan**. The promotional piece, designed to generate initial leads and to respond to general inquiries, included a reply card for the reader to request more detailed information.

Paid advertising space was again available in **The Great Saskatchewan Vacation Book** to help offset department publication costs and to generate revenue for the Tourism Industry Association of Saskatchewan (TISASK) which served as sales agent.

Advertising space was also introduced in **Saskatchewan Outdoor Adventure** with the Saskatchewan Outfitters Association acting as sales agent.

Audio Visual Services

As well as serving department needs for visual resources in the production of literature, displays, audio-visual presentations and advertising, the photo library continues to be a major source of photographs for other departments, advertising agencies and non-government organizations.

The growing popularity of video tapes has resulted in an increasing demand for videotape copies of Saskatchewan's travel films. In handling foreign requests, three different international versions are provided: NTSC, PAL and SECAM.

Creative Consultation

During the year, the department provided creative marketing consultation to the Tourism Industry Association of Saskatchewan (TISASK), Saskatchewan Outfitters Association, communities of Humboldt, Hudson Bay, Shaunavon, Meadow Lake, Edam, the Moose Jaw Wild Animal Park, CanAm Route Association, Saskatchewan Country Vacation Farms Association, Department of Highways and Future Corporation.

Tourism Media Liaison

The department conducted 11 media familiarization tours of Saskatchewan tourist attractions during 1988. Guests included travel writers, editors and television producers from Toronto, New York, Colorado, Tennessee, Texas, Michigan, Montana and China. Media travel tours are cost-effective forms of promotion. In 1988, articles and television programs resulting from the media visits to Saskatchewan had an advertising equivalency value exceeding $600,000.

Programs in Support of Business

Small Business Interest Reduction Program

The Small Business Interest Reduction Program was introduced in 1985 to reduce interest costs and stabilize interest rates for eligible small businesses. Its primary aim was to encourage business activity by providing security against increasing interest rates.

The maximum amount covered on a loan was $100,000. The amount of annual interest reduction was the difference between a base rate of eight per cent and the interest rate charged by the lending institution, subject to a ceiling of prime plus one per cent. The average prime lending rate throughout the three-year program period was 10.09 per cent. The average benefits paid to eligible small businesses enroled in the program was $2,175.

Applications Received		**Grants Paid**	
1985-86	6,244	1985-86	$ 1.5M
1986-87	4,129	1986-87	8.7M
1987-88	292	1987-88	7.4M
		1988-89	.8M
Total	10,665	**Total**	$17.8M
Approved	8,198		
Declined	2,467		

The program expired on March 31, 1988. Benefits disbursed in the 1988-89 fiscal year were a carryover of benefits that accrued, but were not paid in the previous year.

Special ARDA Program

Special ARDA (Agricultural and Rural Development Agreement) is a federal-provincial, cost-shared program to provide financial assistance, management advice, training and other related services to eligible

applicants of native ancestry residing in rural Saskatchewan. After several extensions, the program expired on March 31, 1989.

The department retains financial responsibility for administering applications pertaining to projects approved prior to March 31, 1987. On April 1, 1988, responsibility for administering the program was transferred to the Indian and Native Affairs Secretariat. As a result of these carry-over commitments, the department made contributions totalling $34,000 to 21 projects during the year.

Northern Revolving Loan Fund

The Northern Saskatchewan Economic Development Revolving Fund (Northern Revolving Loan Fund) provides fixed term and interest rate business loans to eligible entrepreneurs operating and residing in the Northern Saskatchewan Administrative District. The program's portfolio includes enterprises operating in virtually every sector of the northern economy.

During the year under review, the Government of Saskatchewan raised the fund's statutory lending limit from $10 million to $20 million to provide a major source of commercial loan investment capital for the northern private sector entrepreneur. Comprehensive business plans are received from individual applicants. After undergoing an internal evaluation to insure compliance with regulatory requirements, each financing proposal is presented for consideration to an autonomous District Loans Committee. Department officials determine which proposals will be approved after considering the committee's specific recommendations.

During the year, the Revolving Fund received 192 financing proposals. Of this total, 116 applications were subsequently approved representing a loan amount of $3.611 million. A total of 47 applications to establish or expand commercial businesses were approved representing $3.290 million and 69 applications for traditional fishing and trapping activities were approved representing $0.321 million. Issuance of these loans contributed directly to the creation and/or maintenance of 165 person-years of northern employment.

Since the program's inception in 1973, a total of 2,309 loans have been advanced; injecting capital investments exceeding $34.5 million into the northern business economy. The table on page 22 summarizes historic program lending activity.

To maintain the "revolving" nature of the program, principal advances from the province's Consolidated Fund must be repaid in order for new loans to be issued. Cumulative 1988-89 loan principal and interest collections totalled $2.662 million and impacted positively upon the March 31, 1989 year-end portion of the statutory limit available to lend — $12.319 million.

Northern Economic Development Subsidiary Agreement (NEDSA)

NEDSA is a federal-provincial program designed to enhance economic development and employment opportunities in the nonagricultural region of the province. The five-year, $36.0 million Agreement expired March 31, 1989.

The department, one of several provincial participants, shared responsibility with the federal Department of Regional Industrial Expansion for the economic development section of the agreement and provided broad program direction through an appointment on the NEDSA Management Committee.

Direct financial assistance, by way of conditional grant, was provided to eligible applicants for business establishment, expansion or employment creation. During the year, the department contributed $100,000 to nine business entities.

Venture Capital Program

The Venture Capital Program was introduced in 1984 to stimulate growth in the province's small business sector. The program provides investors with provincial tax incentives in the form of tax credits equal to 30% of the investment made in Venture Capital Corporations (VCCs). The VCCs in turn must invest in Saskatchewan small businesses that are primarily involved in manufacturing and processing, tourism, research and development, or prescribed agricultural and livestock activities. In centres under 20,000 population, these restrictions may be removed at the discretion of the minister.

By March 31, 1989, 186 VCCs were registered with a gross cumulative capitalization totalling $91.2 million, of which $82.7 million had been invested in eligible small businesses.

During the year, VCC capitalization totalled approximately $14.6 million. Of the capitalization amount, $9.7 million was generated by 35 new VCCs registering with the program. Previously registered VCCs increased capitalization by $4.9 million. This activity entitled investors to approximately $4.4 million in tax credits. VCCs invested $18.5 million during the 1988-89 fiscal year.

These new investment dollars have played, and will continue to play, a significant role in the development of small business in Saskatchewan. An increasing number of these investments are occurring in communities with populations under 5,000.

During the year, the Venture Capital Program was the subject of two major reviews, one external and one internal to government. The studies resulted in major changes announced in March 1989. The changes included provision for direct investor ownership in a small business, removal of the 49 per cent ownership limit and payment of cash grants instead of tax credits.

Tourism Development

Community Tourism Assistance Program

The Community Tourism Assistance Program (CTAP) was implemented during the year. The program is designed to provide financial and advisory assistance to communities in the areas of both marketing and development.

Each community that participates is eligible to receive two-thirds of its total eligible marketing costs up to $24,000 per year over the four-year program, and three-quarters of its total eligible capital costs up to $75,000 over the four years.

Initially, a community must select a tourism committee which is responsible for the completion of a tourism plan. The plan must identify a community's tourism strengths and weaknesses prior to developing its goals, objectives and action steps. A Community Tourism Planning Guide was made available to assist the communities with their plan.

By year end, more than 100 communities had expressed an interest in the program and seven were formally enroled. The total provincial commitment was $141,000 during the fiscal year.

Canada-Saskatchewan Subsidiary Agreement on Tourism

The department has been responsible for the Canada-Saskatchewan Subsidiary Agreement on Tourism since it was signed in November, 1984.

In partnership with Industry, Science and Technology Canada, the department reviews, evaluates and recommends projects in three major areas: product development, marketing enhancement and support to industry.

• *Archaeological site at Wanuskewin Heritage Park.*

Under product development, 21 new projects were approved, representing a total investment of $22,846,350. Contributions to this economic activity by the provincial government were $4,173,940, and by the federal government $3,463,625.

Sixteen marketing projects were funded under marketing enhancement with the provincial government contributing $302,930 and the federal government $436,266.

Support totalling $421,910 was provided to 11 tourism industry organizations for development activities with the money equally funded by the provincial and federal governments.

Tourism Development Counselling

A major activity of the department during the year was the counselling of tourism operators, communities and potential investors in tourism projects. Clients were guided through the review and approval process of government and were provided with market data and information on various assistance programs. They were also helped with submissions to lending institutions, and directed to other departments and agencies for technical assistance.

Tourism development counselling helps the client complete a preliminary overview of the market, analyse the resource base available, define the parameters of the project including land, buildings or facilities and prepare a business plan.

Publications used to assist clients in the respective areas include: Tourism Business Development Guide; Planning, Organizing and Evaluating an Event in Saskatchewan; A Guide to Establishing a Tourism Destination Area Study; Community Tourism Planning Guide.

Private Investment in Parks

At the request of Saskatchewan Parks, Recreation and Culture, the department reviewed, evaluated and provided recommendations on private sector proposals for tourism operations in the provincial parks.

Hospitality Training

The department contracted with TISASK to deliver the Saskatchewan Host Program with support under the Canada-Saskatchewan Tourism Sub-Agreement. During the year, hospitality training seminars drew 3,826 participants.

- *New facilities at Moose Mountain Provincial Park.*

Services to the Department

Administration

The Administration Branch is responsible for financial management, human resource development and management, property management, systems support and development, and the coordination of legislative services for the department.

During 1988-89, the branch managed a major departmental reorganization; relocation of department head offices to 1919 Saskatchewan Drive; completion of a department Information Technology Strategy and acquisition of a 50 work station microcomputer network.

Priority was given to establishing a professional human resources unit for the department. A manager of human resources position was staffed and support staff added to the unit.

Highlights for the year included completion of the department's first staff development plan, continuance of employment fairness initiatives, and provision of computer training for department staff in conjunction with the installation of the new computers. An inter-departmental project was also initiated to provide better access to centralized human resource data by downloading from mainframe to micro-computer. Five other departments and the Public Service Commission have been involved in this project.

Corporate Affairs

In addition to branch responsibilities associated with the development and delivery of tourism marketing services, the Corporate Affairs Branch is responsible for the development, implementation and evaluation of communication strategies for all policy and program initiatives of the department. The branch planned and developed all communication material for the department, including advertising, print, audio-visual, displays, speeches, news releases, newsletters, feature articles and print copy.

The branch also undertook media liaison and organization of special events such as official openings, news conferences, awards ceremonies and information meetings.

Some special projects undertaken during the year included organization of public meetings on the department's "Heart of Canada's Old Northwest" study, open houses at the department's Business Resource Centres, organization of publicity activities surrounding Co-op Week and Business Week, and organizational support for official openings and expansions of a number businesses in Saskatchewan. As well, the branch expanded the department's traditional practice of tourism marketing launches in Regina and Saskatoon to also include presentations in North Battleford, Yorkton, Weyburn, Prince Albert and Swift Current. The presentations took place during National Tourism Awareness Week and dealt not only with new marketing initiatives but with the new Community Tourism Assistance Program and the role of TISASK in the government industry tourism partnership.

In 1988, an advertising campaign was developed to promote awareness and use of the Business Resource Centre network by residents planning to start businesses and by existing business owners. The campaign used television, newspapers and magazines to emphasize services to the new entrepreneur as well as to the established business owner contemplating changes. The campaign described the centres as the first stop for business information and planning assistance. Business Resource Centres recorded increased calls and visits during the campaign.

In support of the Business Opportunities Show, advertising, direct mail and a promotional video were developed to attract potential Canadian exhibitors to the show. The campaign used daily newspapers and

existing lists of franchisers, and businesses wishing to establish dealerships and distributorships.

Advertising intended to attract registrants to BOS was placed in Alberta, Saskatchewan, Manitoba, North Dakota and Montana publications, on Saskatchewan radio stations and through direct mail to prospect lists and selected households.

Northern Revolving Loan Fund:

Summary of program activity from 1973 inception to March 31, 1989

Classification	Fishing (#)	Trapping (#)	Commercial (#)	Total (#)	Total ($million)
Active	106	9	143	258	$ 8.323
Repaid	752	161	396	1,309	19.910
Written-off	274	219	214	707	5.788
Inactive	9	1	25	35	0.514
Total	1,141	390	778	2,309	$34.535

1988/89 Expenditures

Economic Development and Tourism

Administration	1,316,445
Regional Services	2,665,493
Communications	3,253,109
Tourism and Business Development	324,100
Net Expenditure (Recovery) of (from) the Northern Saskatchewan Economic Development Revolving Fund	264,116
Business Information and Research	606,297
Financial Assistance Administration	456,858
Tourism Marketing	1,311,392
Venture Capital Branch	319,093
Co-operatives Branch	586,300
Northern Affairs	515,900
Industrial Development	1,633,200
Payments to SPMC	2,293,700
Members of the Executive Council	44,805
	15,590,808

Economic Diversification and Investment Fund

Industrial Development Grants	8,700,833
Business Development Grants	1,122,479
Tourism Development Grants	1,903,540
	11,726,852